

world the spirit of joy and kindness that the Special Olympics brings.

If you ever had any doubt about how much good one person can do, look no further than this kind and gracious lady. On this special occasion, I ask you to join me in a toast to the Special Olympics and to Eunice Kennedy Shriver and to her contributions to our Nation—past, present, and future. God bless.

NOTE: The President spoke at 7:40 p.m. in the East Room at the White House. In his remarks, he referred to Eunice Kennedy Shriver, founder and honorary chairman, Special Olympics; President Olafur Grimsson of Iceland; and Vivian Fernandez de Torrijos, wife of President Martin Torrijos Espino of Panama.

Interview With Foreign Journalists

July 10, 2006

The President. I'm looking forward to it. I'm going to see Angela Merkel on her home turf. She kindly invited me to go to her part of the country. I always view that as a sign of generous hospitality, when somebody says, "Come by my home area." And I'm looking forward to going, and I'm looking forward to having a good discussion with her on a variety of subjects.

I've spoken frequently with the Chancellor since she's gotten in, and that's important, because Germany has got a very important role to play, not only in Europe but around the world. So I'm looking forward to that a lot.

And then, of course, I'll be going to Russia and have—Laura and I and the Putins will be having dinner, which is a good chance to continue our friendship. We've got a good friendship with the Putins. We're comfortable around them. And then, of course, the next day we'll have a bilateral meeting, which will be more business than pleasure. I also am looking forward to that. I've spoken to Vladimir Putin frequently over the last couple of weeks on a variety of subjects. And the world is complex. There are problems that are surfacing. I've always felt like it's best to work with friends and allies to solve the problems. And so we'll have a variety of topics on the agenda.

And then we've got the G-8. I think the topics there are relevant—energy security. I view energy security, from my perspective, as how do we diversify away from hydrocarbons. That's the definition of security from an American perspective. I will be—it just so happens, it's a really interesting moment where there's the need to be—protect our national security and economic security comes at a time when there's great concern about global warming, and it turns out that you can achieve economic and national security and protect the environment at the same time. For example, civilian nuclear power—that's going to be an important subject, as far as I'm concerned.

If you truly are concerned about protecting the environment, then it seems like to me that civilian nuclear power is a good way to go. Technologies have changed; we'll discuss that. Some agree; some don't agree. But nevertheless, it's going to be a part of the dialog. I look forward to talking to them about our research and development efforts into new types of batteries that will be able to power automobiles for the first 40 miles without using gasoline, or talk about use of ethanol or our experimentation and our work with hydrogen. In other words, there's a variety of things we can talk about to help with energy—on the energy security issue.

We'll talk about infectious diseases. I thank the Russian President for putting that on the agenda. That's going to be a very important topic—if there were to be a pandemic flu outbreak. It's important for us to have discussed our individual plans and how we intend to work collectively on the problem.

We'll talk about education matters. I intend to talk about trade. We've got—the Doha round is out there, kind of—people are wondering whether or not we'll be able to move it. I'm still upbeat about it, by the way. I think we can get something done. I just finished meeting with my trade minister and our team involved on the subject. But this will be a good forum to talk about it, not only at the first days of the G-8 but when the members of the G-20 come. There will be an important discussion with the leader of Brazil and others.

As well, one of the things we will talk about are common values that are important—

transparency, anticorruption, free markets—values that tend to bind us and that can unite us in common purpose. So I'm looking forward to it.

Michael [Michael Backfisch, Handelsblatt].

Germany-U.S. Relations

Q. Mr. President, German-American relations have improved since Angela Merkel became Chancellor. With Silvio Berlusconi being out of office and Tony Blair's days being numbered, has Germany become America's most important pillar in Europe, and would you even use a formula such as partnership and leadership, as your father dubbed the relationship with Helmut Kohl?

The President. First, let me say, we had disagreements over Iraq, obviously. But apart from that, I always felt our relationship with Germany was vital and important. Much has been made about the differences between Chancellor Schroeder and myself, and no question, there were differences. But I will tell you that from my perspective, and I think he would say this, is we've tried to work beyond that. There were other issues we had to deal with besides Iraq. So the relationship has been good since I've been the President.

Angela Merkel comes into office now at a time where we've gotten that behind us, and we're moving forward. Remember, one of the first decisions I made after 9/11 was to go into Afghanistan, and the Germans supported us on that. So there's—we've worked together, and I do believe that, as I mentioned to you, Germany has got a very important role to play in Europe and in the world. And Angela Merkel is assuming the mantle of leadership, for which I'm grateful.

From my perspective, I think the American President and the country must maintain a lot of good relations with Europe, since Europe is a—it's vital. It's a vital center of trade, and it's a vital center of exchange, and it's a vital center, I hope, of working together to, kind of, spread common values. But we've got a good relationship.

Andrei [Andrei K. Sitov, ITAR-TASS].

President's Birthday

Q. Thank you, sir, for inviting us, for giving us this opportunity.

The President. Any time.

Q. May I congratulate you, sir, on your recent birthday. I was on the South Lawn there, watching.

The President. You were watching me turn 60? [Laughter]

Q. No, the Fourth of July, the celebration.

The President. Let me ask you something, does that seem old to you, 60?

Q. No, not at all, sir.

The President. Good, yes. [Laughter]

Q. Sir, you are——

The President. The American press corps seems to—makes it seem like it's a very old age—people—how old are you, Tom?

Q. Sixty-one.

The President. See.

Q. Everybody knows your medical stats, sir. You are in good condition.

The President. Thank you for wishing me a happy birthday. Finally ended. Go ahead.

Russia-U.S. Relations/World Trade Organization

Q. Thank you, sir, for indulging us.

I wanted to ask you about the continuing Russian integration. Will there be——

The President. Continuing Russian integration?

Q. Integration into the world bodies. Will there be a deal on the WTO negotiations with Russia in St. Petersburg? And also, when do you expect Russia to gain a permanent seat at the financial G-7?

The President. First of all, as far as the G-8 goes, from my perspective, Russia is an active participant. President Putin has been there; he speaks; he talks; he acts; he interfaces. Plus, he's hosting it—is hosting this G-8.

Secondly, we talked about the WTO negotiations with Russia, and there is—I've presented the letter to the President, which makes it very clear, our position, so that there's no ambiguity about what needs to happen in terms of market access from both—the perspective of both countries. And we will continue to work, see if we can't get this done.

President Putin has got his issues at home; we've got issues here. And that is, we've got to make sure any agreement we strike is a good one. And there's two issues that are very

important for—a lot of issues are important, but I would say the two areas where a lot of people will be paying attention to it here in America is, one, on agriculture, we want to make sure that if somebody says they're going to take our products into their country, they'll do it. And secondly, the other is intellectual property rights. And that's what a lot of people will be looking at from this perspective. I'm sure Vladimir Putin has got pressures on his side too.

I do believe it's in our country's interest to have Russia as a member of the WTO. It's been a difficult negotiation, because there's more than one constituency. That's what President Putin has got to understand. One issue—not just satisfying what our trade negotiators think is fair; we've got to make sure we can get it through the Congress.

But others are watching as well; other nations are watching the set of negotiations. So hopefully we can get it done. I'm optimistic about it.

Mario [Mario Platero, *ILSole24Ore*], congratulations to you.

2006 World Cup

Q. Thank you. Thank you, Mr. President. Did you watch the game?

The President. I watched some of it.

Italy-U.S. Relations/War on Terror

Q. Mr. President, the new Italian Government has stated that there are, and I quote the Italian Foreign Minister, Mr. D'Alema, "evident differences with the U.S., certainly with respect to policies from the previous years." And a decision about whether to stay in Afghanistan will be made in the next few days, and a decision has been made to withdraw completely from Iraq, contrary to what the commitment of the previous Government was. Are you disappointed by that?

The President. First of all, I want to thank the Italian people and the Government for their contributions in Iraq. They were there during some of the most difficult times. And the previous Government made a commitment and met its commitment, and we're very grateful for that. The current Government campaigned on not staying in Iraq; that's what they said. So when you win elections, you're supposed to do what you say

you do. So I'm not surprised. I would hope—and I appreciate the commitments. I would hope they would—toward, for example, training through NATO or reconstruction aid. This is an historic time.

And one of the messages I'll be sending people at the G-8 is, liberty is universal; the world is better off when there's free societies. We'll worry about our own selves, of course, but we've also got to need to worry about others living under the—that may live under the clutches of a tyrant or others who are trying to build a democracy. And we would hope that established democracies would help young democracies grow, and there's all kinds of ways you can do that. There's a difference of opinion, obviously, in certain corners as to whether or not we should have gone into Iraq in the first place. But now that we're there, the hope is that we can work with nations to help build the new democracy. And that's not my appeal; that's the appeal of Prime Minister Maliki and others. So I'm confident we can work with the Government, looking forward to it.

Q. On Afghanistan, you hope they will stay?

The President. Of course I do. It's a new democracy. We'll see. Every country gets to make its own mind what to do, but I would hope that those who are weighing whether or not it makes sense to stay or go look at the consequences of failure and realize the great benefits of liberty for the people of Afghanistan. An elected government there—society is changing. It takes hard work. I happen to believe the hard work it takes is necessary for peace.

Masaomi. Did I say it right?

North Korea

Q. Masaomi.

The President. Yes, see, pretty close. [Laughter]

Q. Thank you very much. I have a question on North Korea. Security Council is about to adopt North Korea resolution. The U.S. had vowed to continue diplomatic efforts to resolve the issue. But what kind of measures will you take to get North Korea back to the six-party talks?

The President. First of all, I want to thank the Japanese contribution in the Security

Council. Secondly, I think there's an interesting new development, that the Japanese have decided to delay tabling the resolution to give the Chinese a chance to go to Pyongyang to have a discussion with the leader in North Korea, with the desire of having them come back to the table. So that's where we are—they being the North Koreans—come back to the table.

And that's where we are. And so the Security Council option is always there. But to answer your question, the strategy at this point in time is for the Chinese to travel and to make the claim that it would be in North Korea's interests that they come back to the table and remind them they've already been at the table and they agreed to a Korean Peninsula that is nuclear-weapons free. That's what they've agreed to—they being the North Koreans, along with the United States, the Russians, the South Koreans, the Japanese, and the Chinese. So that's where we are.

Michael.

Energy

Q. Mr. President, energy security—25 percent of Europe's natural gas consumption is satisfied by Russia. In the case of Germany, it's more than one-third. Is Europe, is Germany too energy-dependent on Russia, and do you see the ensuing danger that Russia has the means to potentially blackmail Europe?

The President. I think each nation or each group of nations has to make their own national security calculations. I can just give you my perspective where the United States is, and you can draw whatever conclusions you want from that.

I think—we are dependent on oil from, in some cases, unstable parts of the world. And while you may be able to manage your way through the short term; in the long term, eventually I think that will be a problem for national security purposes here. And therefore, when you talk about energy security, it is part—people say, “Well, security is how you guarantee supply.” That's one view of security. It's just that supplies can get disrupted sometimes. I view security as diversification away from a particular source of

energy that may be the cause of the worry about insecurity in the first place.

And so the German Government is going to have to make its decision as to whether or not it makes sense to have a supply—one-third of its supply from a single source. I can tell you this, I've told the American people we will spend billions to put technology in place or achieve technological breakthroughs that will enable future Presidents to say, “I no longer have to worry about a single source of supply; I no longer have to worry about disruption; I no longer have to worry about politics.” And I think the world needs to go there, in my own judgment. I think the whole world would be better off if we're less reliant upon forms of hydrocarbon.

Is it possible? Yes, it's possible. We're spending over a billion dollars on hydrogen technologies and research to determine whether or not you can actually drive your automobiles with hydrogen, a byproduct of which is nothing, water. The issue with hydrogen, however, is, one, obviously, the technologies. But it takes a fair amount of power to create the hydrogen. And therefore, the question is, will nations such as ours, and others, be willing to use nuclear power to be able to provide the power to create the hydrogen in the first place? It's a policy choice countries are going to have to make.

We are working with India and China, for example, on nuclear power. I think it's in everybody's interest that these new, growing economies have—that the appetite for hydrocarbons in these growing economies is lessened with the advent of nuclear power. I know it's in—it really is in everybody's interest because of the globalization of energy demand. In other words, India demands more; it causes your prices to go up.

And so our contribution to trying to deal with energy security is to not only spend money here at home but also to work with developing countries to reduce their appetite for hydrocarbons. And to this end, we're working with Japan and Russia, France, and Great Britain to spend money to come up with a fast breeder reactor program, so that we can reprocess, burn, and reduce the amount of waste, which will hopefully then make the idea of additional civilian nuclear

power in other countries more palatable politically.

Q. And Russia's potential blackmailing power?

The President. That's going to be up to the Europeans to make that decision. That's not an issue we worry about here at home. That's an issue that the European leaders are going to have to work through, particularly at the EU, to make sure that they're not in a position where somebody can change the equation. Obviously, there was—some of my friends who were the leaders in Europe were somewhat concerned about the Ukrainian issue. We expressed our opinion on that very clearly. But the decisionmakers, your leaders, are going to have to make the decision as to whether or not they view the current status as something that they need to diversify away from. And I just laid out some ideas as to how, at least, we're trying to do that.

Andrei.

Alternative Fuel Sources/Georgia

Q. You just gave me an opening there—

The President. Well, I'm trying to, Andrei. I'm Mr. Thoughtful, as you know. [Laughter]

Q. —by referring to Ukraine, sir. Russia, for years, has been subsidizing its neighbors with energy supplies. President Putin recently suggested that it was to the tune of \$3 billion to \$5 billion a year. Basically he said, "If any new friends of those countries want them to have cheap energy, are they willing to pay?" So is this country willing to pay the same amount for cheap gas for Ukraine and Georgia?

The President. Well, look, there's a pretty good market. I mean, there's a marketplace. And the definition of price—you can judge whether or not it's fair, given kind of comparable situations elsewhere. Michael's point is, if you've got a sole source of supply or a significant sole source of supply, sometimes that source of supply can set the market. And I would think that what most consumers would want was fair, transparent pricing.

One way to make sure you've got fair pricing is to have alternative sources of energy so that you're able to make different choices, and that's very difficult, particularly when it comes to natural gas. Gas is a hard product

to transport. Gas requires enormous capital investment. Oil can be transferred by cart, by trucks. Gas has to be transferred by pipeline, more or less. Now there's a whole new technology coming, which is liquefied natural gas, so it can be transported by fleet. And so all I would ask is that there be transparency, that there be—that people know fully what the rules are, and that the contracts be open, easy to understand, and honored.

Q. And if I may stay with the neighborhood for a second there. You recently hosted the President of Georgia. Why do you think it's in NATO's interest to admit a country with two internal conflicts on its territory?

The President. I think it's in the world's interest that there be peaceful resolution of those two internal issues. I also think it's in NATO's interest to welcome countries which adhere to rule of law and marketplace economics, a country that is a democracy, a country which allows for public dissent and free press. I think those are all wonderful values that ought to be incorporated—that NATO—that will benefit NATO, with the incorporation of a country like Georgia. It's not a given that Georgia enters. All I said was that Georgia ought to be—that the way forward into NATO for Georgia ought to be clear, and the road ought to be clearly delineated so that they can then do the things necessary to earn NATO membership.

There's some question as to whether or not the United States was committed to this Georgian ascension, at least to be a part of the MAP Program. I think I cleared that up. I think people pretty understand—pretty well understand my position on that now.

Q. That's good. Thanks.

The President. Mario.

Italy-U.S. Relations

Q. Yes, Mr. President.

The President. So let me ask you something, Mario. Was your face painted yesterday? [Laughter]

Q. Mine wasn't. But one of a friend of mine was, but my dog had an Italian flag.

The President. Very good. [Laughter]

Q. So that created quite an impression. Mr. President, two senior officials of SISMI,

the Italian counterintelligence service, have been arrested just recently.

The President. Mario, I'm going to give you a chance to ask another question because I'm not going to talk about ongoing cases. If you'd like to come up with another question——

Q. It's an open case. It's open in the sense that today, there has been a request from the magistrate for the extradition of 26 CIA——

The President. Mario—Mario——

Q. In principle, you would——

The President. Mario, no, I'm not going to talk about the case. You can ask another question, since I cut you off before you were able to ask your full question.

Q. You confuse me with the soccer. [Laughter]

The President. This is just in fairness.

Q. Okay.

The President. Gone from Mr. Thoughtful to Mr. Openminded here. [Laughter]

Q. Well, Mr. President, you've known Mr. Prodi for a long time, and you've known Mr. Berlusconi—you've known both of them. And how would you assess the personal relationship that you had with Mr. Prodi and with Mr. Berlusconi? Is there a difference how comfortable would you feel with one or the other?

The President. I feel very comfortable with both. The first thing that's important is, I feel comfortable with the people of Italy. We've got very close ties.

And let me just take a step back. What's interesting about our country is that we've got—we've had close ties with a lot of countries. My ranch was settled by Germans.

Q. Really?

The President. Yes. There's a huge number of Italian Americans, a lot of Russian Americans. You know, Norm Mineta in my Cabinet is a Japanese American. In other words, so when you talk about relations with an American President, you've got to understand that there's a—at least I have, I know my predecessors have connections, close connections with people who have fond—either fond memories and/or great pride in their motherland.

And the way I like to define relations is that we've got—that I've got good relations

and great respect for the country of Italy. Obviously, people are so different that you've just got to gauge your relationship to meet certain objectives. And our objective with our European friends is to have a Europe that is whole, free, and at peace and is in close concert with the United States.

And so I think in this case, Prodi and Berlusconi share that objective, both share the same objective; same in Germany. And so I deal with them differently. They're just different types of people with different backgrounds. But I've known Romano Prodi, particularly since he was the head of the EU. I've worked with him quite a bit. Ask him about the time when I was riding my mountain bike on the beaches of Sea Island, Georgia. I came roaring by as fast as I could. There was Prodi with his head down. I made some kind of noise or something startled him out of his walking shoes, you know. [Laughter] My point is, there he was. He's a guy who I felt comfortable enough roaring by on a mountain bike, three Secret Service agents spewing up sand. [Laughter]

I know him. I feel comfortable talking to him. I may—he may not agree with me. But the fundamental question I think you're searching for is, can you still have a good relationship even though you disagree on issues? And the answer is, yes. That's part of life. There's a—look, I'm the kind of person, I make decisions; I deal with problems; I want to solve them. And sometimes—and, you know, I make it clear where I stand. And that creates—in the world, people say, “Wow, that creates tension.” But privately, it doesn't. That's what you've got to know, that there's a—and I work hard to make sure that I've got good personal relationships with these leaders so we can solve problems. And I'm confident that——

Q. Will you see him in——

The President. Prodi?

Q. ——in St. Petersburg, in a bilateral——

The President. I don't even know. I'm not the scheduler, Mario. But I will see him.

Q. In a bilateral?

The President. Well, I'll take him aside, just the two of us, if that's—I'll take your recommendation for it. When I see him, I'll take him aside and congratulate him. I don't

know whether or not we're having bilaterals or not. Are we?

National Security Adviser Stephen J. Hadley. We're still looking at it.

The President. Mario, you want me focused on the big picture. I don't know my schedule. *[Laughter]*

Q. Thank you.

The President. All right. Masaomi.

Japan-U.S. Relations

Q. Mr. President, U.S.-Japan relations are enjoying a golden age, a so-called golden age, which can be credited to close friendship that you and Prime Minister Koizumi share. On the other hand, Japanese relations with China and South Korea have chilled on Koizumi's watch. So how will you build the U.S.-Japan alliance with the next Prime Minister? And what do you hope to see in his approach to diplomacy towards Asia?

The President. First of all, our relations are good. I'm not sure any President and Prime Minister are going to be able to duplicate our trip to Graceland. *[Laughter]* It's an unbelievable experience, if you think about it. It's really one of the interesting lessons of history, isn't it? And what I—I'm told these guys are sick of hearing me say this, but I'm going to say it anyway—what the President referred to by "these guys" are the American people sitting behind—so my dad fought the Japanese. And that is startling to me that his son takes the Prime Minister to Graceland. Something happened. We fought the Germans; now we're very close friends.

And what happened was, there's a—liberty took hold, a Japanese-style democracy. That's what we're working on in Afghanistan and Iraq. Those are the stakes, as far as I'm concerned.

And so we've got a great relationship, and I intend to keep it that way. It's in American interests that we work closely with Japan. It's also in our interests that Japan have got better relations with China and South Korea. And that's going to be up to the Japanese leaders to make the determination of how to do that. I, of course, have said that to Prime Minister Koizumi: "We would hope that you would be able to improve relations." It's in our Nation's interest that our friends

have good relations with other friends and acquaintances.

And so that's going to be an interesting issue as to whether or not that's the case, whether that's a campaign issue in your democracy, whether or not it even matters to the people of Japan. But that's why you have elections. That's why you have decision-making in the democratic process, to determine whether that's an important issue.

And that's—you know what's interesting about the world in which we live, if the Chinese are able to get the North Koreans back to the table, think about a negotiating arrangement where you've actually got the Japanese and the Chinese and the South Koreans and the Americans and the Russians all sitting down, trying to convince Kim Jong Il to give up his nuclear weapons program. It's pretty remarkable, when you think about it.

And it's—and so I happen to believe—and the same thing is remarkable, in some ways, that we're still working very closely together on Iran. Germany has been great on Iran, by the way. Appreciate the Chancellor's strong position.

And the reason I bring this up, these are issues which we will solve, and we're more likely to solve them more quickly when we work together to solve them. And it's—to me, it's a very positive development. It's a new framework. It's kind of an interesting—it's an interesting data point in history to know that nations with different backgrounds and at times warring with each other are now working together to deal the common—with the common threats. And it's a threat if the Iranians have a nuclear weapon. It's a threat to world peace. It's a threat to all of us. It's a threat for North Korea to develop a nuclear weapon. It's a very destabilizing event in the Far East. So we're working very closely with each other to get it done.

Japan-China Relations

Q. Do you have any worry about the relations between Japan and China?

The President. Do I worry about it?

Q. Yes.

The President. Well, I would hope it would improve, is the best way to put it—

hope it would improve. I think it's an important relationship. And I can't make it improve. That's up to the parties to make it improve. I can say, I hope it improves, to both parties, which I'm more than willing to do.

Anyway, looking forward to going. Who's going? You're going, Steve? Tom? Stretch, you going? You're going to be there.

Q. Mr. President—

The President. No more questions.

Q. That's it?

Q. One more?

The President. Okay, yes.

Iran

Q. Great. [Laughter] Mr. President, you were mentioning Germany's role vis-a-vis Iran. Provided that there is no positive Iranian response before the G-8 summit—

The President. I'm not sure I accept that yet.

Q. Yes, well, let's just give it a try.

The President. Well, it's hypothetical, Michael.

Q. Okay, let's give it a try. What measures—

The President. You can try it. Give me a head's up. [Laughter]

Q. What measures—what kind of sanctions will the administration strive for? And how do you want to convince Russia and China to come aboard?

The President. We spent a lot of time talking about these—more than one issue now, obviously, Russia and China. But part of diplomacy is just constant work, constant dialog, and constant discussion, and remind people that we have declared common goals. The goal on the Korean Peninsula is a nuclear weapons-free peninsula. The goal of the Iranians is no nuclear program.

And everybody has got different interests. And so everybody has got different pressures. So diplomacy takes awhile. And what you're watching—what the world watches now is diplomacy in action. And we will work very quietly with our friends to work toward a resolution of the issue with the goal of achieving this thing diplomatically, of achieving this issue—success diplomatically but also with the goal of saying, you know, with common

voice to, in this case, the Iranians, no weapons program.

I'm not sure I necessarily accept your hypothesis that something positive isn't going to happen. I don't know. But what I'm going to tell you is, we'll react to it if it doesn't, if something positive doesn't happen.

Q. So far, nothing has happened. On the Iranian side, it's been going on for a long time.

The President. Right, but there's a meeting here pretty soon. Wednesday.

Q. So you're trusting the Iranians?

The President. No, no, no. You're asking me to—you're asking me—you're predicting the outcome of the meeting, and I'm saying, I'm not predicting the outcome of the meeting. And either way, we'll be prepared to react.

Q. So there is—

The President. Good try, though, on the hypothetical question.

Q. Very briefly.

The President. Yes, Andrei.

War on Terror

Q. The Russians got their Usama bin Laden, Shamil Basayev, who was responsible for killing the children in Beslan. What do you have to say to the Russians about that? And also, will you be discussing with President Putin his new idea about the new binding treaty to replace the old START I that expires?

The President. I'll be talking to him about a variety of subjects. Yes, looking forward to hearing from that. And I—I guess we're gathering the details on the death of the guy, to find out more about it, you know. But if he's, in fact, the person that ordered the killing of children in Beslan, he deserved it.

Q. Mr. President, on the U.N.—United Nations, after Kofi Annan—

The President. It's an interesting thing about terrorists, by the way, they'll kill children like that. They don't care.

United Nations Secretary-General

Q. The name surfaced recently of Prince Zeid, who is a member of the royal family of Jordan—was the representative of Jordan to the U.N. And he would be the first Muslim in case he would run for it.

The President. You're trying to rope me into the——

Q. No, I'm saying, would you be against a moderate Muslim?

The President. You're trying to get me to commit a name, actually talk about names.

Q. No, no, no. In general. [Laughter]

The President. As I understand it, the—traditionally, there's kind of a—regions rotate, and we're really looking in the Far East right now to be the Secretary-General—Secretary-General there. Holland [Steve Holland, Reuters].

Q. Oh, sorry. [Laughter]

The President. Well, that's kind of where the current—that's kind of where the current—he's over 60. No he's not—53?

Q. Fifty-one.

The President. Fifty-one. That's kind of—his birthday was recently. That's kind of—so the discussions mainly, at least the ones I've heard about this, somebody from the eastern—Far East——

Q. Asia.

The President. Asia, yes. So this is the first I've heard of this suggestion. And you'll find that we will work closely with friends and allies to come up with the best candidate, but we won't be committing publicly, like you're trying to get me to do.

Q. But with general principle, will you be against a Muslim, in Indonesia, for example, who is up for the position?

The President. Not at all, would not be against a Muslim. The criterion I'm for is somebody who wants to spread liberty and enhance the peace, do difficult things like confront tyranny, worry about the human condition, blow the whistle on human rights violations.

Yes, sir. Final question now, for certain. Michael roped me into another round there. [Laughter]

North Korea

Q. Going back to North Korea, do you still think U.S. can deal with Kim Jong Il in resolving the crisis, or do you have sort of regime change in mind?

The President. What we want is for the North Korean leader to give up his weapons programs. And the United States tried to deal with him bilaterally in the past, and it didn't

work. So I changed the policy. I said it's not going to be just the United States dealing with the North Korean leader. We're also going to have other partners like Japan and South Korea and Russia and China.

See, in the past, negotiators from the United States sat down and said this, that, and the other, and the North Koreans didn't honor the agreement. So I'm trying a different approach. My last approach didn't work, so hopefully this approach will work. And I think it's more likely to work because you've got more than just one person saying it—you know, "Get rid of your weapons programs." Now we've got neighbors saying the same thing. And so that's where we are right now.

What's interesting, I thought, was that, you know, the Chinese, the United States, Japan, and South Korea, Russia all said, "Don't fire your weapon; don't fire your rockets." And he fired his rockets.

And that ought to be an interesting lesson to all of us involved in this relationship, that we've got to stay very close together and speak with one voice, because it's very—he must hear clearly that that kind of behavior is unacceptable. People have asked me, what do I think he's trying to achieve? I don't know. It's a nontransparent society. It's hard to tell. Like, if I were to make a decision, you'd be reading about it. People, reporters all over the place trying to—"Why did he do this; why did he do that?" And that's good. That's what an open society does. I don't know what objective he was trying to achieve.

But from my perspective, it sent a signal that he really was not afraid of isolating himself even further. My attitude is, is that the people of North Korea can have a much better life than they've—than their leader has chosen for them. There's tremendous starvation in North Korea. There's huge concentration camps. It's unacceptable behavior, as far as I'm concerned.

And I would hope that the North Korean leader would choose a different path forward. And the way to do that is to get rid of your weapons programs in a verifiable fashion. There's a better way forward for the Iranian leadership than isolation, and that is to get rid of the weapons programs in a verifiable fashion. It's their choice to make. We've

made our—the United States has made its choice; Germany has made its choice; Russia has made her choice; Japan has made its choice. We've made our choice; the choice is theirs. And I would hope that these leaders would recognize that there is—there's benefits for their people. They truly care about their people. There's benefits for their people.

You know, one of the most moving moments of my Presidency came when the young—when the mother of—young daughter was kidnaped by the North Koreans. Imagine. Anybody got children here? Imagine if some foreign nation ordered your child to be kidnaped, just removed. And never—they never heard from the girl again. They went—she was telling me, she was wondering whether she was murdered, and they searched everywhere. It's unbelievable, isn't it? It turns out that they believe that she was in North Korea, a regime that just felt like there was no accountability and no regard for human rights and just took this young child.

So the mother was sitting there in the Oval Office with me. It was incredibly emotional. After all these years, she still felt this pain in her heart. And my point is, is that there's a better way forward than that, to live in a society like that. And the choice is his to make, in North Korea's case. I hope he makes the right choice. It's important for all of us to continue to make that very clear. If he chooses the other way, he'll be isolated and his people won't benefit.

Okay. Thank you all. I enjoyed it.

NOTE: The interview was taped at 2:30 p.m. in the Roosevelt Room at the White House. In his remarks, the President referred to Chancellor Angela Merkel and former Chancellor Gerhard Schroeder of Germany; President Vladimir Putin of Russia, and his wife, Lyudmila; President Luiz Inacio Lula da Silva of Brazil; Prime Minister Nuri al-Maliki of Iraq; Chairman Kim Jong Il of North Korea; Prime Minister Romano Prodi and former Prime Minister Silvio Berlusconi of Italy; Prime Minister Junichiro Koizumi of Japan; Shamil Basayev, a Chechen separatist leader, who was killed on July 10; and Sakie Yokata, mother of a Japanese woman abducted by North Korean authorities. Reporters referred to Prime Minister Tony Blair of the United Kingdom; Usama bin Laden, leader of the Al Qaida terrorist organiza-

tion; Secretary-General Kofi Annan of the United Nations; and Prince Zeid Ra'ad Zeid al-Hussein of Jordan. The transcript was released by the Office of the Press Secretary on July 11. A tape was not available for verification of the content of this interview.

Remarks on the Office of Management and Budget Mid-Session Review

July 11, 2006

The President. Thank you. Thanks for coming. The White House is the people's house, and I'm here to talk about the people's money. We're glad you're here. As you know, every year, my administration produces a budget that lays out our priorities and our goals. And every summer, the Office of Management and Budget releases a report called the Mid-Session Review that tells the American people how much progress we're making towards meeting our fiscal goals.

Today OMB Director Rob Portman released the latest review. I'm pleased to report that it's got some good news for the American taxpayer. This economy is growing; Federal taxes are rising; and we're cutting the Federal deficit faster than we expected.

This good news is no accident. It's the result of the hard work of the American people and sound policies in Washington, DC. This morning I'm going to discuss the way forward; I'll explain why our progrowth policies are vital to our efforts to reduce the Federal deficit, what my administration is doing to work with Congress to eliminate wasteful spending, and why we need to confront the unsustainable growth in entitlement spending.

I appreciate our new Secretary of the Treasury, Hank Paulson, joining us today. Mr. Secretary, you've been on the job one day, and you've got a pretty strong record. I'm proud that Rob Portman is here, and he brought his lad with him. *[Laughter]* I thank the Senate President pro tem, Senator Ted Stevens, for joining us. Senator, thanks for coming. I'm proud you're here. Thank you for your leadership. I also want to thank David Dreier, Conrad Burns—Senator Conrad Burns, excuse me—

Senator Burns. That's okay. *[Laughter]*